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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

COUNTRY China

SUBJECT Availability of Luxury Items/Soviet Influence in Industry/Public Health Program/Telephone Service/Soviet Repatriation of Russian Refugees

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1. Export controls imposed by the West have made little difference to the man with money in Shanghai. The Central Arcade still specializes in luxury items such as razor blades, shaving cream and some of the things left over from old days though stocks, for the most part, consist of newly-arrived goods. Some of the luxury items are smuggled in by Polish sailors. There are quite a number of Polish vessels coming into Shanghai and the sailors are not searched because they are serving on Soviet bloc ships.

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Much of it probably came through Hong Kong since that is obviously the nearest place. Perfume, nylons and ladies' underwear were of the very latest manufacture. 50X1-HUM an advertisement in a smuggled magazine showing the latest fashion in ladies' wear 50X1-HUM the actual articles for sale in the Arcade a month before the magazine's issue date. The stretchy kind of nylon socks which will fit any size foot became available last year when they appeared in several of the shops (just a few pairs in each shop) priced about JMP160,000 a pair; the same socks sold for HK $5 in Hong Kong. 50X1-HUM

Radios are quite common, but they are mostly small, old-fashioned AM receivers (there are no FM stations in Shanghai). There is no tax on purchasing a radio. However, when buying a new set it is necessary to register it at the time of purchase with the local police. I

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2. There is much praise of the Russian nuclear weapon but little information is propogated. The Chinese man on the street is generally aware of information regarding the effects of the weapon but there is no effort on the part of the Government to explain specifics such as fatality rates, etc. There is little general interest; the only time public interest was aroused was after the bombing of the Shanghai Power Company. There is no mobilization for defense such as fire-fighting equipment and training. There has been little evidence of decentralization or relocation of industries in Shanghai or the building of underground installations (the latter is impossible because if you dig down two feet you're in water).

Several mines have been discovered recently in Sinkiang and industrialization has taken place in the development of the steel industry there.

The Soviet influence in industry is very strong. There are some local Russians employed full-time by the different ministries as translators; all they do is translate Russian technical books. [redacted] all of them are engineers. Recently, there has been movement to teach Russian technical language to future Chinese engineers. They are trying a new method in which they limit the teaching of Russian to the student's specialized field of interest. It was supposed to be a very great course lasting only two or three months. [redacted] one of the professors who described the whole program as "complete rubbish" because he was convinced the people will be more muddled after passing the course than they ever were before learning the language.

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3. In Shanghai, [redacted] there was an anti-spitting campaign for general hygiene purposes. Tuberculosis was stressed as the major hazard, probably because there were not sufficient beds to take care of the sick. The same campaign was also directed against the indiscriminate discard of refuse and boxes were located throughout the town by the Government and, in some cases, by the utility companies. The transportation companies had to provide waste bins because the Government contended bus and tram tickets were a litter problem. The anti-spitting campaign was carried a bit too far because at one time they had spitoons at ten-yard intervals along the streets.

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The general public health program calls for regular vaccination and innoculations against small pox, cholera and typhoid. These shot campaigns are well organized. The labor unions and organizations are notified to reserve days for their employees so that nurses and doctors can be sent to the factories to vaccinate or innoculate all of the workers. There is no blood collection program among the workers.

4. There was a shortage of telephones and trunk lines in Shanghai [redacted] probably due to the big backlog caused by the large demand for phones in the new bureaucracy. Today the greatest dream of every Chinese employed in an office in the capacity of a coolie or charwoman is to possess a desk. That's the first ambition; the second is to have a telephone on the desk. All possible means are employed to get a desk and a phone. A private apartment phone is about JMP30 - 40,000 a month; [redacted] for 100 calls; the service is much cheaper than before. [redacted] Under the old system, if you wanted to call an outlying district, you had to dial the operator, ask for the number or for the district's exchange, and then ask another operator to call the number within the district. Now it is possible to reach outlying areas by merely dialing the desired suburban number. These numbers usually consist of five digits.

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5. There is no way of effecting a move from or around Shanghai by contact with the traditional criminal or underground elements as in the past. Smuggling is still possible but not without difficulty and danger. Having money and a desire to get out are not enough. You must know where to go and how to make contact. [redacted]

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6. The passports issued by the Soviets to the ex-Stateless and other refugees are about 3" X 5", bound in dark red or dark brown covers. The dark brown passports have cloth bindings and the red ones are bound in cardboard. The only leather-covered passports were those carried by the Soviet officials and technicians. The "second class" passports had the crest of the USSR on the first page and a description of the bearer in both French and Russian. These documents are referred to as "foreign passports." The second page shows the date, place and authority of issue. In most cases, the authority will be an edict of the Supreme Soviet. when all Russians were allowed to apply for papers, many of my friends got passports by simply going to the Consulate and filing an application. When the application was received by the Consulate, the applicant was given a receipt. The fee used to be 10% of the applicant's monthly income; a year or two ago, however, they decided to standardize the fee. It is not unusual for an application to pend for several years and it is necessary to reapply each year. Now when you reapply, the fee is JMP 10,000 to 20,000 plus the difference between the former fee (i.e., 10% of your monthly income). This difference is then paid into the Residents' Association Fund.

People travelling with Soviet passports need only their Resident Certificates to enter Hong Kong. Those whom regard as undesirables are sometimes given only 48 hours to get out of Hong Kong. The International Relief Organization office in Hong Kong must have exchanged thousands of Soviet "foreign passports" collected from refugees in the last several years.

Lately there has been much talk about the Soviet offer to repatriate Russian refugees. The first official announcement concerning the repatriation was made in Shanghai and on Easter Monday, it was proclaimed in Dairen. The announcements invited all people, holding Soviet passports, who desired to return to the USSR to re-register with the Consulate and to make application for return. There was no such

Some even withdrew their applications for exit visas and relinquished forever their only chance to get out of China. A few days later it became known that the only areas to which the refugees could move in the USSR were Kayakstan, the Ural Mountains and places to the west of the Volga basin -- mostly undeveloped land. The Soviets seemed to be interested in getting trained people to colonize these areas. The emotional appeal of returning to Russia was very strong among many of the Stateless, and there were hundreds of applicants. The program probably had some inspiration with the Chinese who are anxious to be rid of the refugee problem. After applying for return to the USSR, the applicant was obliged to take a physical examination. When the time for departure from China finally arrived, some of the refugee families were divided on the basis of the results of the physical exams and in some instances the father, mother or a child was left behind while the rest of the family moved on. Once you have applied for return to the USSR there is no refusing to go if you are physically qualified.

The passports carried by the Soviet officials and technicians were quite different from those carried by the "second class" or refugee Soviet citizen. The local Russians griped constantly about being discriminated against by the more newly-arrived Soviet citizens. There was practically no contact between local residents and the imported advisers and technicians. This feeling was not too apparent in Shanghai because one didn't encounter many Soviets the line is sharply drawn in Harbin and the local residents are made very conscious of their inferior status.

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